

Exhibit 279 [replacing Dkt. #2350-72] attached to Plaintiffs' Consolidated Memorandum in Opposition to Defendants' Motions for Summary Judgment on Plaintiffs' Civil Conspiracy, RICO and OCPA Claims at Dkt. #2182.

- Redactions withdrawn by Defendant

PSJ3

Exhibit 279

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Donald G. Walker
Senior Vice President, Distribution Operations

McKESSON
Empowering Healthcare

June 29, 2012

Ms. Barbara J. Boockholdt
US Department of Justice
Drug Enforcement Administration
600 Army Navy Drive
Arlington, VA 22202

Dear Ms. Boockholdt:

As a follow-up to our January 26, 2012 meeting at your office, I would like to provide you with a summary of actions taken specific to McKesson's Landover, MD and Ruther Glen, VA distribution centers. I will also summarize our improved compliance and due diligence procedures across our network.

A. Maryland/Virginia

- a. For all retail pharmacies in the market we established a maximum dosage threshold for Oxycodone doses per month. Additionally we have isolated the 30mg doses in our monitoring program and have limited 30mg doses to 10,000 per month. Any increases beyond that level are supported by thorough diligence and multiple pharmacy site visits. We have instituted this policy nationally.
- b. Through our revised analytics and due diligence requirements we identified the following pharmacies as having suspicious order patterns based on our established criteria. We ceased selling controlled substances and reported them to the appropriate field office and DEA headquarters.
 - i. Herndon Pharmacy and Medical Supply FH2358275
 - ii. Accokeek Pharmacy BA6800216
 - iii. Family Meds Pharmacy FF1958719
 - iv. Drug City Pharmacy AD2366183
- c. We ceased warehousing and distributing controlled substances in Landover on April 6th after successfully transferring them to the Virginia facility. We surrendered our DEA license (PD0029567) for the Landover, MD distribution center on May 21, 2012 after month end ARCOS reconciliation and reporting.
- d. Beginning April 1st we changed our sales compensation model. We eliminated all sales of Oxycodone and Hydrocodone from all compensation programs for our sales representatives nationally. While these drugs were very minimal contributors to any sales compensation program prior to this change, we felt that eliminating them entirely best served our collective interests.

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- e. Given that Virginia, Pennsylvania, Maryland, and Delaware, in particular, appear to be areas of concern regarding prescription drug abuse, we are adding an additional Regulatory Director that will be based in our Virginia distribution center. When that individual is in place, I will insure that there is an introduction to Mary Johnson-Roche.

B. Network Wide Actions:

- a. We continue to have meetings and calls with our manufacturing partners. Specifically we have met with Mallinckrodt, Purdue and Activis. We share with them our controlled substance monitoring information and identify opportunities for collaboration. This has been very beneficial to all parties.
- b. I met with CVS leadership to review our controlled substance monitoring specific to CVS pharmacies that McKesson serves.
- c. McKesson identified a suspicious order pattern with a Winn Dixie pharmacy in Florida. We ceased selling controlled substances to the pharmacy and reported that action to the Miami office and DEA headquarters. As a result Winn Dixie has changed their internal policies across all of their pharmacies to insure distribution of controlled substances for legitimate medical need.
- d. We have conducted several prescription drug abuse education sessions with our field sales teams and operations teams. I have also personally conducted the same training and orientation for leaders of independent and chain pharmacies.
- e. The revised analytical tools we developed to target issues with Oxycodone are also being used to provide specific monitoring of Hydrocodone, Alprazolam and Carisoprodol.

In summary, we have been very focused on addressing the concerns you identified during our January meeting. We have increased both our financial and human resource investment to better address specific geographic regions and provide improved analytical tools across the network.

I would welcome the opportunity to meet with you again in person or via a call to provide additional information or insights.

Regards,



Donald G. Walker

Cc: Mary Johnson- Rochee- Department of Justice
Ina Trugman- McKesson Corporation
John Gilbert- Hyman Phelps & McNamara, PC